

inter-office correspondence

TO J. A. Murphy

DATE January 13, 1982
RECEIVED

FROM W. A. Saupe

SUBJECT Carling O'Keefe Breweries of
Canada, Ltd.

JAN 15 1982

HAMISH MAXWELL

Drafts of an agreement have been exchanged between Carling O'Keefe and Miller whereby Carling would 1) brew and market Lite beer in Canada under license, 2) import Miller High Life from the U.S. for sale in Canada and 3) brew a Canadian beer to be imported exclusively by Miller for sale in the U.S.

Miller has attempted to register the Lite trademark in Canada. However, we have encountered opposition from several sources with objections similar to those raised in the United States. Carling is aware that our mark has been opposed and this fact may be brought up by Anton Rupert. Even if we fail to achieve registration, however, we will be able to provide Carling with the Lite logo as sold in the United States as well as a technology license for the Lite formula and access to our advertising campaign.

Last November Roderick McInnes, President and C.E.O. of Carling O'Keefe, mentioned to Anton Rupert that Carling was considering contract brewing a beer for Miller to import and distribute in the U.S. The brand has not yet been determined. However, a new brand to be decided and designed by Miller is being considered rather than an existing Carling brand now in either the Canadian or the U.S. markets. Apparently, Rupert is agreeable to this idea and was quoted as saying, "I'll take care of it". The problem is with Century Importers Inc. of Baltimore, the U.S. agent for any brands produced by Carling O'Keefe of Canada. Century imports O'Keefe Ale and Old Vienna and Cinci Beer; 1980 volume was 125,000 barrels, about 8% of the Canadian import market.

It has occurred to us that, considering the Philip Morris and Rothman relationship, Rupert could very well suggest that Miller (or P.M.) absorb Century Importers and take over the distribution of O'Keefe Ale and Old Vienna and Cinci Beer. If this proposal is made, we would of course need time to study the matter and its consequences to the Miller Brewing Company. We would very much like to resolve the issue of Carling's contract brewing a beer for Miller to import and hope that our agreement will not be delayed because of the Century situation.


William A. Saupe/dw

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